

LITCHFIELD FIRE DEPARTMENT

AUDIT REPORT

JUNE 30, 2005

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name <b>LITCHFIELD FIRE DEPARTMENT</b>	County <b>HILLSDALE</b>
Audit Date <b>6/30/05</b>	Opinion Date <b>1/17/06</b>	Date Accountant Report Submitted to State: <b>2/23/06</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

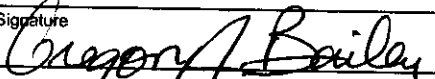
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLJU).			✓

Certified Public Accountant (Firm Name) <b>BAILEY, HODSHIRE &amp; COMPANY, PC</b>			
Street Address <b>479 E CHICAGO ST PO BOX 215</b>		City <b>JONESVILLE</b>	State <b>MI</b>
Accountant Signature 		ZIP <b>49250</b>	Date <b>2/23/06</b>

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Bailey, Hodshire  
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INDEPENDENT AUDITOR'S REPORT

Litchfield Fire Department  
Litchfield, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of the Litchfield Fire Department as of and for the year ended June 30, 2005, which collectively comprise the Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Litchfield Fire Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Litchfield Fire Department, as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2 through 3 and page 14, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Bailey, Hodshire + Company, P.C.*

Jonesville, Michigan  
January 17, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

# LITCHFIELD FIRE DEPARTMENT MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report presents management's discussion and analysis of the Litchfield Fire Department's (Department) financial performance during the year ended June 30, 2005. Please read it in conjunction with the Department's financial statements, which immediately follow this section.

## **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Department as a whole and present a longer-term view of the Department's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Fire Department's operations in more detail than the government-wide financial statements.

## **The Fire Department as a Whole**

Our analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the Department's governmental activities.

### **TABLE 1 - NET ASSETS**

Assets	\$ 43,107
Current Assets	<u>65,292</u>
Noncurrent Assets	<u>\$108,399</u>
Total Assets	
Liabilities	\$ 27,419
Current Liabilities	<u>0</u>
Noncurrent Liabilities	<u>\$ 27,419</u>
Total Liabilities	
Net Assets	\$ 65,292
Invested in Capital Assets - Net of Related Debt	<u>15,688</u>
Unrestricted	<u>\$ 80,980</u>
Total Net Assets	<u>\$108,399</u>
Total Liabilities and Net Assets	

### **TABLE 2 - CHANGES IN NET ASSETS**

Program Revenue	\$ 44,160
Capital Grants and Contributions	
General Revenue	93,600
Government Contributions	<u>147</u>
Other	<u>\$137,907</u>
Total Revenue	
Expenses	\$ 91,220
Public Safety	<u>\$ 91,220</u>
Total Expenses	<u>\$ 46,687</u>
INCREASE IN NET ASSETS	

# LITCHFIELD FIRE DEPARTMENT MANAGEMENT'S DISCUSSION AND ANALYSIS

## **Governmental Activities**

The Department's governmental activities consist of providing fire protection service to the City of Litchfield, Litchfield Township, and parts of Scipio Township and Butler Township.

## **The Fire Department's Funds**

Our analysis of the Department's major funds begins on page 6 following the government-wide financial statements. The fund financial statements provide detailed information about the General Fund, the only fund maintained by the Department at this time. The most significant expenditure items for the General Fund are capital outlay, wages, and insurance.

## **General Fund Budgetary Highlights**

Over the course of the year, the Department amended the budget to take into account events during the year. Insurance costs are always difficult to predict, and they came in higher than expected. Costs for operating supplies and equipment maintenance are highly dependent on the number of fire runs for the year. The Department also experienced a major personnel fluctuation with the resignation of a number of employees, and a consequential influx of retired employees. This led to an increase in wellness exams, payroll taxes, and uniforms.

## **General Asset and Debt Administration**

The Department does not have title to any real property or rescue vehicles. The City of Litchfield and Litchfield Township have title, either jointly or individually, to all fire rescue vehicles used in the Department's operations. The Department does have \$75,102 invested in turn-out gear and air packs purchased over the last two years. The Department has no formal debt as of June 30, 2005; however, the Department has traditionally paid the \$35,161 annual lease payment on a rescue vehicle leased by the City of Litchfield and Litchfield Township. The final payment on the lease will be in the 2006-07 fiscal year.

## **Factors Bearing on the Fire Department's Future**

As always, activity will drive everything - more fire runs equals more expenditures. Insurance rates continue to be unpredictable, and rising fuel costs will no doubt add to the cost of operations. State of Michigan standards for training and safety become more demanding each year, and there are many new fire personnel that require further training. The condition of the State of Michigan's economy and its effect on revenue sharing to local governments will have a significant impact on the level of funding for the Department's annual operations and long-term capital asset needs.

## **Contacting the Fire Department's Management**

This report is designed to give an overview of the financial conditions of the Litchfield Fire Department. If you have questions about this report or need further information, please contact the Department at 221 Jonesville Street, Litchfield, Michigan. You may also call Board Chairman Mike Burns (517) 542-3869 or Fire Chief Dan Pitts (517) 398-3022.

## BASIC FINANCIAL STATEMENTS



**LITCHFIELD FIRE DEPARTMENT**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2005**

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 40,335
Accounts Receivable	1,106
Prepaid Expense	1,666
Capital Assets - Net	<u>65,292</u>
Total Assets	<u>\$ 108,399</u>
 <b>LIABILITIES</b>	
Deferred Revenue	\$ 21,274
Accrued Payroll	<u>6,145</u>
Total Liabilities	<u>\$ 27,419</u>
 <b>NET ASSETS</b>	
Invested in Capital Assets	
Net of Related Debt	\$ 65,292
Unrestricted	<u>15,688</u>
Total Net Assets	<u>\$ 80,980</u>
Total Liabilities and Net Assets	<u>\$ 108,399</u>

The accompanying notes are an integral part of this statement.

LITCHFIELD FIRE DEPARTMENT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Program Revenues</u>			Net
	Charges for	Operating	Capital	(Expense)
	Services	Grants and	Grants and	Revenue
		Contributions	Contributions	
<u>Functions/Programs</u>				
Governmental Activities:				
Public Safety				
Total Governmental Activities				
Expenses				
\$ 91,220	\$ 0	\$ 0	\$ 44,160	\$ (47,060)
\$ 91,220	\$ 0	\$ 0	\$ 44,160	\$ (47,060)
General Revenues:				
Government Contributions				\$ 93,600
Miscellaneous				<u>147</u>
Total General Revenues				\$ 93,747
Change in Net Assets				\$ 46,687
Net Assets - Beginning				<u>34,293</u>
Net Assets - Ending				<u>\$ 80,980</u>

The accompanying notes are an integral part of this statement.

LITCHFIELD FIRE DEPARTMENT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2005

	General Fund	Total Governmental Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 40,335	\$ 40,335
Accounts Receivable	1,106	1,106
Prepaid Expense	<u>1,666</u>	<u>1,666</u>
Total Assets	<u>\$ 43,107</u>	<u>\$ 43,107</u>
<b>LIABILITIES</b>		
Deferred Revenue	\$ 21,274	\$ 21,274
Accrued Payroll	<u>6,145</u>	<u>6,145</u>
Total Liabilities	<u>\$ 27,419</u>	<u>\$ 27,419</u>
<b>FUND BALANCE</b>		
Unreserved	<u>\$ 15,688</u>	<u>\$ 15,688</u>
Total Fund Balance	<u>\$ 15,688</u>	<u>\$ 15,688</u>
Total Liabilities and Fund Balance	<u><u>\$ 43,107</u></u>	<u><u>\$ 43,107</u></u>

The accompanying notes are an integral part of this statement.

LITCHFIELD FIRE DEPARTMENT

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds  
to Net Assets of Governmental Activities on the Statement of Net Assets

Fund balance - total governmental funds	\$ 15,688
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial  
resources and are not reported in the funds

Add: Capital Assets	75,102
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Deduct: Accumulated Depreciation	<u>(9,810)</u>
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Net assets of governmental activities	<u>\$ 80,980</u>
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The accompanying notes are an integral part of this statement.

LITCHFIELD FIRE DEPARTMENT  
STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	General Fund	Total Governmental Funds
<b>REVENUE</b>		
Government Contributions	\$ 93,600	\$ 93,600
Federal Sources	39,744	39,744
Other	<u>4,563</u>	<u>4,563</u>
Total Revenue	<u>\$ 137,907</u>	<u>\$ 137,907</u>
<b>EXPENDITURES</b>		
Salaries and Wages	\$ 19,291	\$ 19,291
Payroll Taxes	1,483	1,483
Workers Compensation	1,667	1,667
Office Supplies	1,185	1,185
Operating Supplies	3,007	3,007
Uniforms	203	203
Professional Fees	2,035	2,035
Firemen Wellness	585	585
Utilities	4,352	4,352
Training	1,909	1,909
Insurance	9,791	9,791
Advertising	31	31
Equipment Maintenance	3,001	3,001
Capital Outlay	79,321	79,321
Miscellaneous	<u>9</u>	<u>9</u>
Total Expenditures	<u>\$ 127,870</u>	<u>\$ 127,870</u>
Excess of Revenue Over (Under) Expenditures	\$ 10,037	\$ 10,037
<b>FUND BALANCE - July 1, 2004</b>	<u>5,651</u>	<u>5,651</u>
<b>FUND BALANCE - June 30, 2005</b>	<u><u>\$ 15,688</u></u>	<u><u>\$ 15,688</u></u>

The accompanying notes are an integral part of this statement.

LITCHFIELD FIRE DEPARTMENT  
Reconciliation of the Statement of Revenue, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities

Net changes in fund balances - total governmental funds	\$ 10,037
Amounts reported for governmental activities in the statement of net assets are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	
Add: Capital Outlay	44,160
Deduct: Depreciation Expense	<u>(7,510)</u>
Change in net assets of governmental activities	<u>\$ 46,687</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

LITCHFIELD FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Litchfield Fire Department (the "Department") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The following is a summary of the significant accounting policies used by the Department:

**A. Financial Reporting Entity**

The Litchfield Fire Department is a joint venture between the City of Litchfield and Litchfield Township in Hillsdale County, Michigan. It is governed by a seven-member board comprised of two members of the Litchfield City Council, two members of the Litchfield Township Board, one member of the Scipio Township and Butler Township Boards, and one member from the community at large.

**B. Government-Wide and Fund Financial Statements**

**Government-Wide Financial Statements** - The statement of net assets and the statement of activities display information about the Department as a whole. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Department's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Department, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Department.

**Fund Financial Statements** - Fund financial statements report detailed information about the Department. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds, if any, are aggregated and presented in a single column. The Department records all activities within the General Fund - no other funds are required.

**C. Measurement Focus and Basis of Accounting**

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measureable and available. Revenue is considered to be available if it is to be collected with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department considers revenue to be available if it is collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as



LITCHFIELD FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

under accrual accounting. Under the modified accrual basis, government contributions and grants are considered to be both measurable and available at fiscal year-end.

**D. Financial Statement Presentation**

The Department uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Department functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The Department reports the following major governmental funds:

General Fund - The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the laws of the State of Michigan.

**E. Assets, Liabilities, and Net Assets**

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less.

Capital Assets - General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. The Department maintains a capitalization threshold of \$1,000. The Department does not possess any infrastructure. As of June 30, 2005, the Department does not have title to any real property or rescue vehicles. The City of Litchfield and Litchfield Township have title, either jointly or individually, to the fire station and all rescue vehicles used in the Department's operations.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Fire Equipment	10 years

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Budgetary Information - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The legal level of budgetary control has been established by the Fire Board at the line-item level. Any budgetary modifications may only be made by resolution of the Fire Board. Encumbrance accounting is not used, and all annual appropriations lapse at fiscal year end.

**LITCHFIELD FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

The Department follows these procedures in establishing the budget as reflected in the financial statements:

- 1) Prior to June 30, the Department submits a proposed operating budget for the upcoming fiscal year to the Litchfield City Council and the Litchfield Township Board for approval.
- 2) A public hearing is conducted during June to obtain taxpayer comments.
- 3) Prior to June 30, the budget is legally enacted through passage of a resolution.
- 4) The Fire Board is authorized to transfer budgeted amounts between line items; however, the Litchfield City Council and the Litchfield Township Board must approve any revisions that change the total expenditures of the Department.
- 5) During the year the budget is monitored, and amendments to the budget are made when deemed necessary.

During the year, the following accounts had expenditures in excess of budgeted amounts, which is a violation of State of Michigan budgeting laws:

	<u>Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Operating Supplies	\$ 2,900	\$ 3,007	\$ 107
Capital Outlay	35,216	79,321	44,105

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Following are the components of the Department's bank deposits at June 30, 2005:

Checking accounts	<u>\$ 40,235</u>
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Protection of the Departments deposits is provided by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2005, the carrying amount of the Department's bank deposits was \$40,235 and the bank balance was \$40,659. The entire amount was covered by federal depository insurance.

Michigan Compiled Laws, Section 129.91, authorizes the Department to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. As of June 30, 2005, the District's deposits and investments are in accordance with statutory authority.

**LITCHFIELD FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Equipment	\$ 30,942	\$ 44,160	\$ 0	\$ 75,102
Less: accumulated depreciation	<u>(2,300)</u>	<u>(7,510)</u>	<u>0</u>	<u>(9,810)</u>
Total capital assets, net	<u>\$ 28,642</u>	<u>\$ 36,650</u>	<u>\$ 0</u>	<u>\$ 65,292</u>

The Department made the lease payment on a rescue vehicle leased by the City of Litchfield and Litchfield Township. The payment in the amount of \$35,161 is reported under capital outlay in the Department's fund financial statements.

**NOTE 5 - UNEMPLOYMENT TAXES**

The Department is a reimbursing employer to the Michigan Unemployment Insurance Agency and as such is responsible to pay the Agency for those benefits paid and charged to its account. As of June 30, appropriate liabilities have been recorded for all claims paid by the Agency. However, no provision has been made for future payments that might result from claims in process or unfilled.

**NOTE 6 - RISK MANAGEMENT**

The Department is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries. The Department has purchased commercial insurance for claims relating to general liability, excess liability, auto liability, physical damage, workers compensation, and other appropriate coverages. There has been no significant reduction in insurance coverages and settled claims have not exceeded the amount of insurance coverage in any of the past 3 years.

REQUIRED SUPPLEMENTARY INFORMATION

**LITCHFIELD FIRE DEPARTMENT  
SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Budget amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUE</b>				
Government Contributions	\$ 93,600	\$ 93,600	\$ 93,600	\$ 0
Federal Sources	0	0	39,744	39,744
Other	<u>300</u>	<u>300</u>	<u>4,563</u>	<u>4,263</u>
Total Revenue	<u>\$ 93,900</u>	<u>\$ 93,900</u>	<u>\$ 137,907</u>	<u>\$ 44,007</u>
<b>EXPENDITURES</b>				
Salaries and Wages	\$ 22,200	\$ 22,000	\$ 19,291	\$ (2,709)
Payroll Taxes	1,309	1,484	1,483	(1)
Workers compensation	1,544	1,669	1,667	(2)
Office Supplies	1,250	1,250	1,185	(65)
Operating Supplies	2,200	2,900	3,007	107
Uniforms	1,000	1,100	203	(897)
Professional Fees	3,000	3,000	2,035	(965)
Firemen Wellness	100	600	585	(15)
Membership Dues	200	200	0	(200)
Utilities	3,630	4,505	4,352	(153)
Training	3,000	3,000	1,909	(1,091)
Insurance	10,651	11,176	9,791	(1,385)
Advertising	200	200	31	(169)
Equipment Maintenance	6,600	5,500	3,001	(2,499)
Capital Outlay	37,016	35,216	79,321	44,105
Miscellaneous	<u>0</u>	<u>100</u>	<u>9</u>	<u>(91)</u>
Total Expenditures	<u>\$ 93,900</u>	<u>\$ 93,900</u>	<u>\$ 127,870</u>	<u>\$ 33,970</u>
Excess of Revenue Over (Under) Expenditures	\$ 0	\$ 0	\$ 10,037	\$ 10,037
<b>FUND BALANCE - July 1, 2004</b>	<u>5,651</u>	<u>5,651</u>	<u>5,651</u>	<u>0</u>
<b>FUND BALANCE - June 30, 2005</b>	<u>\$ 5,651</u>	<u>\$ 5,651</u>	<u>\$ 15,688</u>	<u>\$ 10,037</u>

The accompanying notes are an integral part of this statement.